

Message Text

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15

ACTION TRSE-00

INFO OCT-01 EA-11 ADP-00 NEA-10 IO-12 AID-20 CIAE-00

COME-00 EB-11 FRB-02 INR-10 NSAE-00 RSC-01 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 NSC-10 SS-15

STR-08 CEA-02 L-03 H-02 PA-03 PRS-01 USIA-12 RSR-01

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P 170834 Z MAY 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC PRIORITY 5296

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USADB

TREASURY FOR FINKEL

E. O. 11652: ADS, DECLAS 6/15/73

TAGS: EAID, EFIN

SUBJ: PROCUREMENT: EXCHANGE RATES TO BE APPLIED IN EVALUATION
OF BIDS

ADB DOC R47-73 DTD 15 MAY ON ABOVE SUBJECT AND POUCHED
17 MAY PROPOSES THAT, PENDING FULL REVIEW OF BANK' S
" GUIDELINES FOR PROCUREMENT UNDER ASIAN DEVELOPMENT BANK
LOANS" AT LATER DATE, BANK ADOPT A STANDARD PRACTICE OF
PERMITTING BORROWERS, WHEN ISSUING TENDER DOCUMENTS,
TO RESERVE RIGHT TO TAKE ACCOUNT OF CHANGES IN EXCHANGE
RATES UP TO TIME OF AWARD OF CONTRACT. APPROPRIATE
AMENDMENT TO PARA 2.4 (C) OF BANK' S GUIDELINES COULD BE
CONSIDERED IN DUE COURSE. PARA 2.4(C) READS AS FOLLOWS:
QUOTE UNDER CONTRACTS REQUIRING EXPENDITURES IN MORE THAN
ONE CURRENCY OR IN CASES WHERE IT IS EXPECTED THAT BIDDERS
FROM SEVERAL COUNTRIES WILL SUBMIT BIDS EXPRESSED, IN PART
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OR IN WHOLE, IN THEIR NATIONAL CURRENCIES, IT WILL BE NECESSARY THAT, FOR THE PURPOSE OF COMPARISON OF BIDS, ALL CURRENCIES BE CONVERTED INTO ONE SPECIFIED CURRENCY AT A SPECIFIED RATE (OR RATES) OF EXCHANGE. SUCH RATES SHOULD BE FIXED AS OF A REASONABLE DATE (SAY 30 DAYS) PRIOR TO THE DATE FIXED FOR THE OPENING OF THE BIDS AND THE BORROWER SHOULD MAKE ARRANGEMENTS WHEREBY ALL PROSPECTIVE BIDDERS MAY RECEIVE NOTIFICATION OF SUCH RATES AT A REASONABLE TIME (SAY 15 DAYS) BEFORE THE DATE FIXED FOR THE OPENING OF THE BIDS UNQUOTE

2. PROVISION IN PROCUREMENT GUIDELINES OF IBRD/ IDA WHICH WAS ORIGINAL BASIS FOR PARA 2 .4(C) OF BANK' S GUIDELINES HAS SINCE BEEN DELETED AND REPLACED BY FOLLOWING PROVISION: QUOTE THE CURRENCY OR CURRENCIES IN WHICH THE PRICE OFFERED IN A BID WOULD BE PAID IF THAT BID WERE ACCEPTED SHOULD BE VALUED IN TERMS OF A SINGLE CURRENCY SELECTED BY THE BORROWER FOR COMPARISON OF ALL BIDS. THE RATES OF EXCHANGE TO BE USED IN SUCH VALUATION SHOULD NORMALLY BE THOSE PUBLISHED BY AN OFFICIAL SOURCE, SUCH AS THE CENTRAL BANK, AND APPLICABLE TO SIMILAR TRANSACTIONS ON THE DAY BIDS ARE OPENED UNLESS THERE SHOULD BE A CHANGE IN THE VALUE OF THE CURRENCIES BEFORE THE AWARD IS MADE. IN SUCH CASE THE EXCHANGE RATES AT THE TIME OF THE DECISION TO NOTIFY THE AWARD TO THE SUCCESSFUL BIDDER SHOULD BE USED. UNQUOTE

3. IBRD/ IDA PROCEDURE PROTECTS BORROWER AGAINST EXCHANGE RATE CHANGES UP TO TIME FINAL DECISION TO ENTER INTO CONTRACT IS MADE.

4. SUBJECT MAY BE RAISED AT 24 MAY (THURSDAY) MEETING OF BOARD OF DIRECTORS, AND USADB PLANS TO SUPPORT UNLESS NOTIFIED TO CONTRARY.
HAMILTON

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